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The Aluminum Situation

Department of Economics and Statistics

January 1986

The Aluminum Situation

Shipments Off 0.7 Percent

Net shipments for eleven months of 1985, at an estimated 14,070 million pounds, were 0.7 percent lower than the 14,171 million pounds for eleven months of 1984.

Domestic shipments of 12,922 million pounds were 2.1 percent lower than the 13,194 million pounds shipped in eleven months of 1984.

Imports were down 4.5 percent and exports were up 17.5 percent.

Thru November 1985

	11 mos. 1985	11 mos. 1984	% Change
Mill Products	11,046	11,075	- 0.3
Ingot	3,024	3,096	- 2.3
Total	14,070	14,171	- 0.7
Less Exports	(1,148)	(977)	+17.5
Domestic Total	12,922	13,194	- 2.1

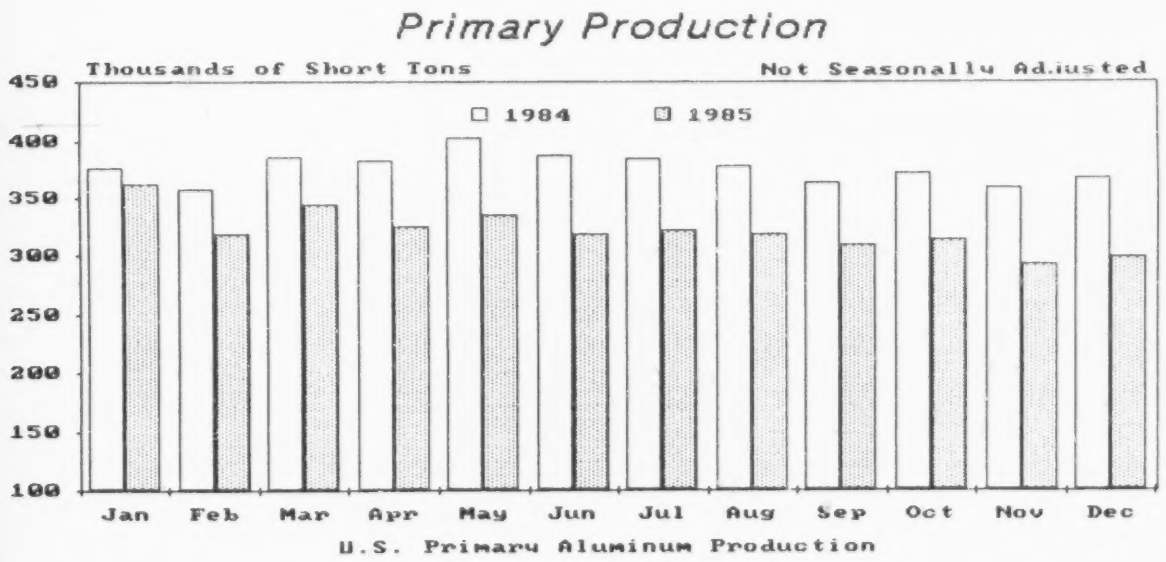
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census.

Production Rate Down 18.7 Percent

U.S. primary aluminum production averaged 9,642 short tons daily during December 1985 compared with an average 11,862 tons a day in December 1984.

The annual rate of production in December 1985 was 3,519,301 tons, compared to 3,559,048 tons in November 1985. December 1984 production rate was 4,341,457 tons.

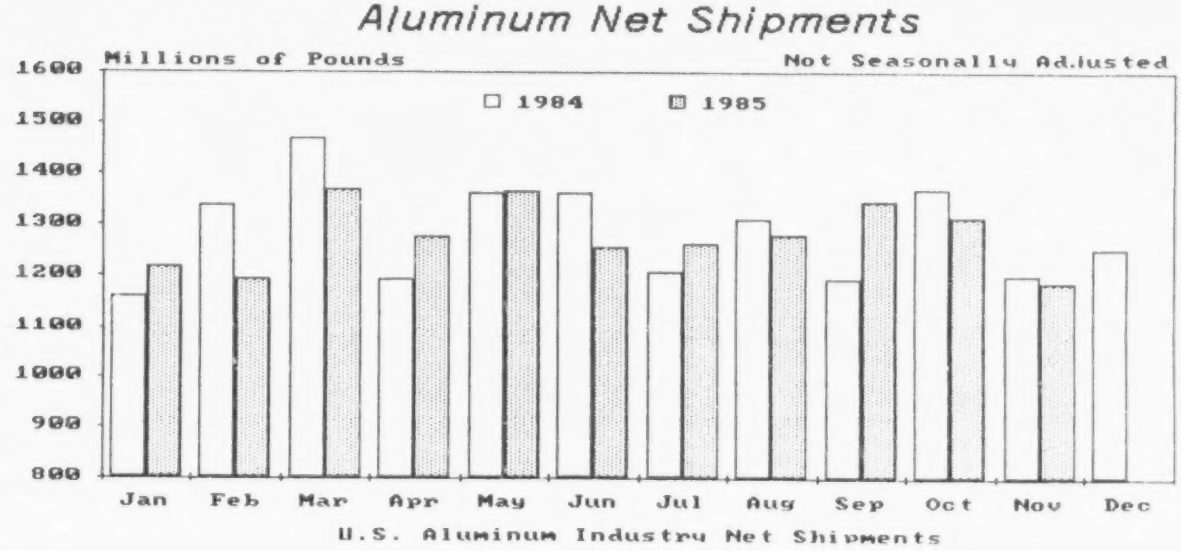
Actual production in December 1985 was 298,900 tons. Preliminary data indicates that production for the year 1985 totalled 3,857,763 tons, a decline of 14.6 percent from the 1984 total of 4,518,422 tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Shipments Less Than One Percent Down vs. Year Ago

Estimated shipments of 14,070 million pounds for the first eleven months of 1985 were down 0.7 percent from the same period in 1984. Exports were up 17.5 percent, and domestic shipments were down 2.1 percent.



Net Shipments

(Millions of Pounds)

	1985 Nov*	1984 Nov.	1985 11 mos*	1984 11 mos.	% Change YTD 1985 vs. 1984
Sheet	460.0	452.4	5,710.0	5,702.2	+ 0.1
Plate	20.0	20.2	236.6	237.4	- 0.3
Foil	63.0	66.0	748.1	795.6	- 6.0
Rod, Bar & Wire	25.0	25.8	277.3	354.2	-21.7
Electrical Conductor	49.0	63.7	631.0	685.7	- 8.0
Extruded Shapes & Tube**	227.0	196.2	2,461.2	2,256.7	+ 9.1
Powder & Paste	9.0	7.8	101.0	91.4	+10.5
Forgings & Impacts	12.0	11.3	139.3	134.4	+ 3.6
Net Imports of Mill Products (Total) (a)	59.0	61.1	741.2	817.6	- 9.3
Total Mill Products	924.0	904.5	11,045.7	11,075.2	- 0.3
Ingot (b)	265.0	296.3	3,024.4	3,095.9	- 2.3
TOTAL INDUSTRY SHIPMENTS	1,189.0	1,200.8	14,070.1	14,171.1	- 0.7
Exports	-79.0	-97.2	-1,148.1	-977.4	+17.5
TOTAL DOMESTIC SHIPMENTS	1,110.0	1,103.6	12,922.0	13,193.7	- 2.1

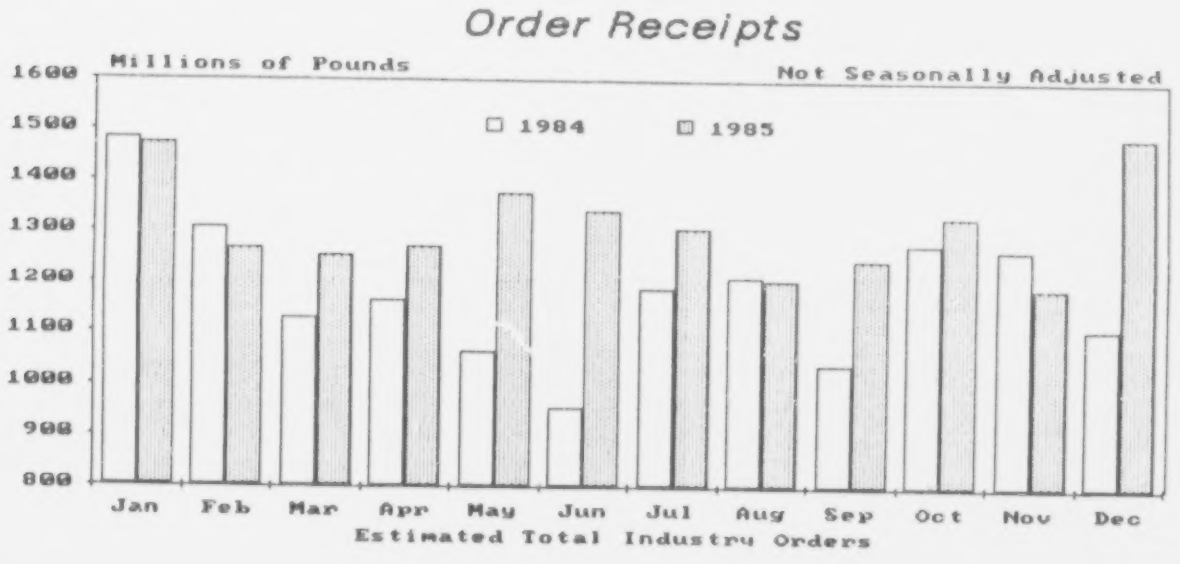
** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Year 1985 Orders Were Up 11.0 Percent vs. 1984

Estimated net new order receipts for the year 1985 of 15,758 million pounds were 11.0 percent greater than the 14,197 million pounds for 1984. Orders for domestic shipment were up 10.4 percent and those for export were up 18.9 percent. December 1985 orders of 1,490 million pounds were 300 million pounds greater than November's 1,190 million pounds.



Order Receipts

(Millions of Pounds)

	1985 Dec*	1984 Dec.	1985 12 mos*	1984 12 mos.	% Change YTD 1985 vs. 1984
Can Stock(a)	229.6	230.8	3,099.8	3,001.6	+ 3.3
Sheet & Plate, Other	343.1	286.1	4,086.2	3,302.2	+23.7
Foil	68.0	67.0	737.2	804.4	- 8.4
Rod, Bar & Wire	26.4	21.1	230.5	263.4	-12.5
Electrical Conductor	61.7	49.0	697.2	732.3	- 4.8
Extruded Products	210.0	187.6	2,587.7	2,334.1	+10.9
Powder & Paste	9.2	6.6	123.8	102.7	+20.5
Forgings & Impacts	10.4	8.8	115.8	134.2	-13.7
Domestic Mill Products	958.4	857.0	11,678.2	10,674.9	+ 9.4
Ingot (Total)	405.0	197.2	2,984.0	2,600.2	+14.8
TOTAL DOMESTIC	1,363.4	1,054.2	14,662.2	13,275.1	+10.4
Exports	126.9	58.8	1,095.5	921.6	+18.9
TOTAL ALL PRODUCTS	1,490.3	1,113.0	15,757.7	14,196.7	+11.0

Source: The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Import orders included in Sheet and Plate, Other.
*Latest month.

Inventories Dropped 80 Million Pounds in November

Producer inventories declined an estimated 80 million pounds in November 1985 from the revised October 1985 level of 5,339 million pounds.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Dec 84	5,850	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Jan 85	5,916	2,582	710	2,624
Feb 85	5,820	2,695	676	2,450
Mar 85	5,800	2,560	663	2,577
Apr 85	5,728	2,597	682	2,449
May 85	5,684	2,579	693	2,412
Jun 85	5,596	2,436	664	2,496
Jul 85	5,575	2,450	681	2,444
Aug 85	5,489	2,397	695	2,396
Sep 85	5,438r	2,359r	662r	2,416
Oct 85	5,339r	2,357r	643r	2,338r
Nov 85	5,259	2,275	631	2,353

*Latest two months estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1985 Nov.	1984 Nov.	1985 11 mos.	1984 11 mos.	% Change 1985 vs. 1984
Imports	Mill Products	77.4	73.7	938.9	1,025.9	- 8.5
	Ingot	152.8	137.1	1,787.6	1,829.5	- 2.3
	Total	230.2	210.8	2,726.5	2,855.4	- 4.5
	Scrap (+ dross)	29.6	27.4	257.6	298.7	-13.8
	Grand Total	259.8	238.2	2,984.1	3,154.1	- 5.4
Exports	Mill Products	38.0	31.4	408.5	469.7	-13.0
	Ingot	41.0	65.9	739.4	507.8	+45.6
	Total	79.0	97.3	1,147.9	977.5	+17.4
	Scrap	55.2	60.0	767.0	484.5	+58.3
	Grand Total	134.2	157.3	1,914.9	1,462.0	+31.0
Net Imports		125.6	80.9	1,069.2	1,692.1	-36.8

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.